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C O N F I D E N T I A L SECTION 01 OF 02 ABUJA 000204

SIPDIS

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SUBJECT: NIGERIA: DELTA AIRLINES FACES UPHILL BATTLE ON ABUJA-ATLANTA ROUTE

REF: A. 08 ABUJA 2313

[1](#)B. 08 ABUJA 2207

Classified By: Economic Counselor Robert Tansey for reasons 1.4. (b & d).

[1](#)1. (C) SUMMARY: The Ambassador and a Delta Airlines delegation headed by Senior Vice President Bob Cortelyou met on January 27, 2009 to discuss problems Delta is experiencing with the Nigerian government (GON) in receiving approval for two new routes between Nigeria and the U.S. The Ambassador offered to assist Delta in seeking approval for the Abuja-Atlanta and Lagos-New York routes; but cautioned that it is unlikely that the GON would approve the Lagos-New York route despite their obligation to do so under the Open Skies Agreement. She said that Nigerian operators, as well as, members of the GON feel strongly that they will not agree to this until at least one Nigerian carrier has landing rights in the U.S. The Ambassador suggested that Delta should expand their network of political supporters, but added she would immediately do due diligence with the Aviation Minister for said permission. Delta officials expressed reservations and contended that rule of law should prevail via the language in the Bilateral Open Skies Agreement signed between the U.S. and Nigeria in 2000. Nigerian aviation officials are unlikely to be swayed by arguments based on the Open Skies Agreement. END SUMMARY.

[1](#)2. (C) On January 27, 2009 Delta Airline's Senior Corporate Vice President for Network Planning Bob Cortelyou, Commercial Manager for East and West Africa Bobby Bryan, and Country Manager Olufemi Adefope told the Ambassador that Delta is experiencing delays in GON approval of Delta's request to the Ministry of Aviation for an Abuja-Atlanta and Lagos-New York routes. Cortelyou is responsible for all route planning and execution. Cortelyou explained that Delta needs GON approval prior to the peak summer season (June) or winter (November-January) season. Delta lamented that it appears that the Ministry will not approve the route until Nigeria receives its Category 1 rating from the U.S. Federal Aviation Authority. (COMMENT: The Ambassador has spent considerable effort explaining to GON interlocutors and private sector stakeholders that Category 1 certification is not a political tool and separate from their obligation on Open Skies. END COMMENT.)

[1](#)3. (SBU) Delta added that these two new routes are part of a broader Delta strategy to launch 15 new international routes to be operational by summer 2009, including expanding its base in West Africa. Cortelyou said Delta has been successful in Africa and the high growth rate warrants additional flights and routes. Seven of the eight new Africa flights will take off from Atlanta, including the first-ever nonstop from Atlanta to Johannesburg, South Africa. The others make one stop in Dakar, Senegal, or Sal Island, Cape Verde. The new routes from Atlanta would include service to Abuja,

Nigeria; Monrovia, Liberia; Luanda, Angola; and Malabo, Equatorial Guinea via Sal Island.

Way Forward

14. (C) The Ambassador cautioned Cortelyou that time is short and it is not likely the Ministry will make a decision by April, and that a decision by September regarding the holiday season is also not realistic. The Ambassador said she would initiate strong advocacy with the Ministry on the subject as well as speak to a few airline contacts. The Ambassador told Delta that the airline might receive approval for the Abuja-Atlanta route with a little more political support, but the Lagos-New York route would be hard to sell. The Ambassador asked Delta to send a letter to the new Minister of Aviation requesting approval for both routes and then she could follow-up with advocacy with the Minister. (NOTE: The letter was sent to the Ministry on January 30, 2009. END NOTE.) The Ambassador also suggested that Delta meet with members of the National Assembly oversight committees for aviation to expand their political supporter. Delta expressed reluctance to do this and noted that the Open Skies Agreement between the U.S. and Nigeria grants traffic rights for carriers from both countries to fly into one another's territory. The Ambassador said she understood this, but that it would not hurt Delta to get more GON elements on their side. (NOTE: During the Aviation Safety and Security Civil Aviation Workshop in November 2008, the Ambassador discussed in both her opening and closing ceremony remarks the importance of Category 1 to Nigeria, the eight requirements that must be met, and that it must be earned only by attaining and maintaining a passing grade for the eight requirements. END NOTE).

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Open Skies Agreement and New Routes

15. (U) In 2000 President Clinton traveled to Nigeria to sign the Multilateral Open Skies agreement. Open Skies agreement permits unrestricted service by the airlines of each side to, from and beyond the other's territory, without restrictions on where carriers fly, the number of flights they operate, and the prices they charge. The agreement offers three important benefits:

- Provides a competition-enhancing model for future agreements;
- Expands carrier access to equity financing;
- Streamlines international aviation relations.

Comment

16. (C) Delta's merger with Northwest in 2008 makes them one of the largest airlines; however that prestige does not play well with Nigeria. The aviation sector is highly political and has been making noise for the past few years that the Open Skies Agreement is skewed to the American carriers at the expense of the Nigerian carriers. The argument is that Nigeria does not yet have a Category 1 certification, so they have to wet lease airplanes to fly into the U.S. and this expense causes them not to be competitive. At least three Nigerian carriers have issued plans to fly routes as far as Texas in the U.S.; however none have launched due to the wet lease expense. The nature of politics in Nigeria plays into the idea that Delta's desire for expansion can be leveraged to side-step what the GON needs to do to meet Category 1 certification. The long time Director of Air Transport Management, Dr. Imoro Kubor, was recently promoted to Permanent Secretary of the new Ministry of Aviation. He is an influential person, and perhaps a supporter, of the idea that Category 1 can be used for leverage in favor of Nigerian carriers. His advice can be expected to be well received by the new Minister. The Ambassador will continue to advocate for Delta; however arguing the merits of the Open Skies Agreement will not be enough to get the routes approved.

17. (U) This cable was coordinated with Consulate Lagos.

SANDERS